

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT MAILING LABEL – MAKE CHANGES NECESSARY



W-03263A
Diamond Valley Water Users Corporation
P. O. Box 20939
Sedona AZ 863410939

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) **DIAMOND VALLEY WATER USERS CORP.**

Mailing Address **PO BOX 10593**

SEDONA

(Street)

ARIZONA

86339

(City)

(State)

(Zip)

928-204-0604

928-204-0604

928-301-3723

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address **kyllo@npgcable.com**

Local Office Mailing Address **PO BOX 10593**

SEDONA

(Street)

ARIZONA

86339

(City)

(State)

(Zip)

928-204-0604

928-204-0604

928-301-3723

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address **kyllo@unetus.com**

MANAGEMENT INFORMATION

Management Contact: **Timothy Kylo** **Manager**

(Name)

(Title)

PO Box 10593

Sedona

Arizona

86339

(Street)

(City)

(State)

(Zip)

928-204-0604

928-204-0604

928-301-3723

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address **kyllo@unetus.com**

On Site Manager: **SAME AS ABOVE**

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

Statutory Agent: **UNKNOWN**

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: **NONE OF RECORD**

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☒ Other (Describe) **ARIZONA NON PROFIT CORP**

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	25,961	2,990	22,971
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	2,742	138	2,604
333	Services	73,292	5,791	67,501
334	Meters and Meter Installations	2,105	196	1,909
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	104,100	9,115	94,985

This amount goes on the Balance Sheet Acct. No. 108

OC added from 4/16/01 thru 12/31/03

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	25,961	5%	1,298
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	2,742	5%	138
333	Services	73,292	5%	3,664
334	Meters and Meter Installations	2,105	5%	105
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	104,100	5%	5,205

This amount goes on Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 15,537	\$ 53,963
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 15,537	\$ 53,963
	FIXED ASSETS		
101	Utility Plant in Service	\$ 56,921	\$ 104,100
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	3,910	9,115
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$ 68,548	\$ 94,985

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 161,734	\$ 193,671
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	7,768	12,112
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 169,502	\$ 205,783
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ na	\$ na
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 169,502	\$ 205,783
	CAPITAL ACCOUNTS		
201	Common Stock Issued <i>Opening bal equity</i>	\$ 16,500	\$ 16,500
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(117,453)	(115,285)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (100,953)	\$ (98,785)
	TOTAL LIABILITIES AND CAPITAL	\$ 68,548	\$ 106,998

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 250,601	\$ 273,340
460	Unmetered Water Revenue		
474	Other Water Revenues	26,858	7,632
	TOTAL REVENUES	\$ 292,509	\$ 280,972
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water	89,145	115,534
615	Purchased Power	11,074	11,444
618	Chemicals		
620	Repairs and Maintenance	40,155	27,925
621	Office Supplies and Expense	190	1,350
630	Outside Services	58,969	68,625
635	Water Testing	143	169
641	Rents		
650	Transportation Expenses		
657	Insurance -- General Liability		2,750
659	Insurance - Health and Life		
666	Regulatory Commission Expense -- Rate Case		
675	Miscellaneous Expense		1,520
403	Depreciation Expense	1,415	5,205
408	Taxes Other Than Income		
408.11	Property Taxes	899	10,536
409	Income Tax State of Az	100	
	TOTAL OPERATING EXPENSES	\$ 202,093	\$ 245,058
	OPERATING INCOME/(LOSS)	\$ 90,415	\$ 35,914
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ 90,415	\$ 35,914

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued <i>N/A</i>				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME **Diamond Valley Water Users, Corp.**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
NO WELLS						

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Prescott Valley	8" Meter	36,037

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	4		
5	2		
1.5			
3	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
65,000	1	2,000	2
1,000	1		
500	1		

COMPANY NAME *Diamond Valley Water Users, Corp.*

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3	AC	4,580
4	AC	57,820
5		
6	AC	9,820
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	526
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

7 Pumping Lots with Small Bulidings and fencing

OTHER:

COMPANY NAME: **Diamond Valley Water Users, Corp.**

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	502	1,296	1,386
FEBRUARY	508	1,867	2,035
MARCH	513	2,445	2,738
APRIL	516	2,200	2,530
MAY	519	3,125	3,437
JUNE	519	3,426	3,802
JULY	521	3,214	3,792
AUGUST	522	2,678	2,427
SEPTEMBER	522	2,129	2,389
OCTOBER	525	2,657	2,922
NOVEMBER	525	2,314	2,656
DECEMBER	526	1,899	2,221
TOTAL		N/A	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes () No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. no wells mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME **Diamond Valley Water Users, Corp.** YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ **10,536**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Diamond Valley Water Users, Corp.YEAR ENDING 12/31/~~2002~~
2003INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported -0-
Estimated or Actual Federal Tax Liability -0-State Taxable Income Reported -0-
Estimated or Actual State Tax Liability \$50

Amount of Grossed-Up Contributions/Advances:

N/AAmount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE4-12-04
DATETim Kylo (Pres Bradshaw Mgt Corp)

PRINTED NAME

Manager DVWUC

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 19 2004

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

YAVAPAI

NAME (OWNER OR OFFICIAL) TITLE

Tim Kello (mgr)

COMPANY NAME

Diamond Valley Water

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

DAY

YEAR

12

31

2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 280,972

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 16,236

IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

COUNTY NAME

Yavapai

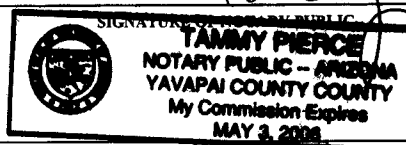
MONTH

April

2004

(SEAL)

MY COMMISSION EXPIRES May 3, 2006



VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 19 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

COUNTY NAME <u>YAVAPAI</u>		DIRECTOR OF UTILITIES
NAME (OWNER OR OFFICIAL) <u>Tim Kelly</u>	TITLE <u>Mgr</u>	
COMPANY NAME <u>Diamond Valley Water</u>		

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 280,912

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ ~~280,912~~ 16,236
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

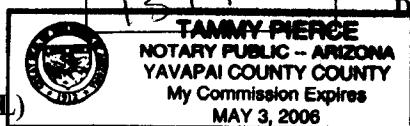
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15th DAY OF

(SEAL)



MY COMMISSION EXPIRES

May 3, 2004

NOTARY PUBLIC NAME <u>Tammy Pierce</u>
COUNTY NAME <u>Yavapai</u>
MONTH <u>April</u> <u>15th</u> 20 <u>04</u>

X

SIGNATURE OF NOTARY PUBLIC